

Rhodes Homes Arizona, LLC *OK*
2215 Hualapai Mountain Road, Suite H
Kingman, Arizona 86401
Phone: (928) 718-2210
Fax: (928) 718-1322

Consultant Agreement

Date: 2/28/05
To: Stanley Consultants
Project: X-1 Ranch #18210
Type of Work: Engineering
Contract#: XBMP1000-1&2

Attached you will find your Consultant Agreement for the project stated above.

Please sign and initial all pages of both contracts as indicated and return both contracts to our office as soon as possible. A fully executed copy will be returned to you.

NOTE: Every page of this contract must be signed or initialed to be considered valid.

We look forward to a prosperous business relationship with your company.

Sincerely,

Rhodes Homes Arizona

Enclosures

CL05327

Consultant Agreement

This Agreement made this 28th day of February, 2005, by and between Rhodes Homes Arizona, LLC hereinafter sometimes referred to as "Client", and Stanley Consultants, sometimes hereinafter referred to as "Consultant", provides as follows:

Date: 2/28/05
 Project: X-1 Ranch (hereinafter sometimes referred to as "The Project")
 Contract Price: \$306,672.00

RECITALS:

- A. Client is the developer of The Project. Client is entering into this Agreement with Consultant to perform the professional services described within the Scope of Services, attached as Exhibit "A" to this Agreement.
- B. Consultant is qualified to provide the professional services agreed to within this Agreement as requested by the Client. If Consultant is not qualified to perform the services indicated herein for completing the work, Consultant will immediately notify Client of such in writing.
- C. Consultant shall maintain the schedule as mutually agreed upon unless outside circumstances such as governmental reviews, natural disasters, or other unknown or uncontrollable influences occur. The client shall be notified immediately of any changes to the schedule.

WITNESSETH:

IN CONSIDERATION of the mutual promises and covenants hereinafter set forth, the Client and the Consultant agree as follows:

1. Services: Consultant shall perform the professional services described in Exhibit "A" and elsewhere throughout this Agreement. Exhibit "A" is attached hereto and incorporated herein by reference (the "Scope of Services").
2. Non-Exclusivity: This Agreement shall not act as an exclusive contract limiting the Client to use only Consultant at the Project.
3. Standards: All services shall be performed by the Consultant in a manner consistent with that level of care ordinarily exercised by reputable members of the profession who are currently practicing in the same locality under similar conditions.
4. Government Regulations: Consultant shall comply with all known laws, statutes, ordinances, standards, rules and regulations, policies, licensing requirements, insurance requirements, practices, and procedures of federal, state, municipal, and special district governmental authorities which are applicable to the services covered under this Agreement.
5. Materials: All necessary labor, licenses, and any other items necessary to complete the services as outlined in Exhibit "A" (hereinafter collectively referred to as the "Materials"), must be furnished by the Consultant and shall be a part of the contract price unless it is specifically excluded in Exhibit "A".

Reproduction of six (6) copies of documents needed for the production, design, and submittal of plans and maps are included in the contract price. In addition, one copy of each document, map, or plan will be provided to the Client during the preliminary stages, prior to

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 Stanley Consultants

the first submittal, after each additional submittal, and immediately after approval and recordation. The total cost of these copies is included in the overall price of this contract.

Any additional reproduction of plans and documents requested by Client which are not included in the contract price shall be directed by Client to Client's reproduction company of choice at Client's expense. In the event changes are requested by the Client, an additional fee shall be negotiated for those copies at the instance of the Consultant at the time of request.

6. **Licensing Requirements:** As a condition of this Agreement, Consultant shall maintain in effect at all times during the term of this Agreement a valid and appropriate license and/or registration for the State of Arizona, or any other governmental or administrative body as may be applicable. Copies of current applicable licenses shall be submitted to Client upon request. Furthermore, Consultant shall ensure that each of its employees who are subject to licensing and/or registration maintain a current and valid license and/or registration while performing work on the project. Consultant will notice Client in writing immediately of any changes to Consultant's registration license status.
7. **Key Personnel:**
 - a. Award of this contract was based upon a review of the personal qualifications proposed by the Consultant. This includes, but is not limited to, Consultant's current organizational chart, the described internal schedule of processing for the recordation of map(s), and the current Principals of the company.
 - b. The Client will be notified immediately if there is a change in Key Contact Personnel including the names and qualifications of these individuals.
 - c. Should the individuals originally assigned to Client not be able to perform the work, the Consultant shall send written notice of any proposed replacement or addition, including a statement of qualifications, by individual name. Such proposed replacement or addition must be sent to Client immediately.
 - d. Client reserves the right to reject any proposed replacement or addition and/or to request additional qualifying documentation.
 - e. Key personnel designated by Consultant may be subject to an interview with Client to substantiate the knowledge and experience that has been represented.
 - f. Prior to beginning work, the Consultant will supply Client with a Key Contact Personnel List to include their job, title, and contact information. Consultant will also supply Client with a list of employees authorized to sign contracts and change orders.
8. **Consultant's Representations:**
 - a. The Consultant shall perform the services outlined in Exhibit "A" in a manner consistent with that level of care ordinarily exercised by reputable members of the profession currently practicing in the same locality and under similar conditions. Consultant understands the nature and scope of services and shall perform all services as required in this Agreement.
 - b. Consultant shall attend a weekly status meeting according to Client's requests. Fees for weekly meetings shall be included in the lump sum price for the duration indicated in Exhibit "A".
9. **Indemnification:** To the fullest extent permitted by law, Consultant shall indemnify and hold Client harmless from and against any and all claims, liabilities, demands, losses, actions,

causes of action, damages, costs, expenses, fines, and penalties of every nature, including but not limited to those resulting from injury to persons or property, which are caused by Consultant's negligent act, error, or omission in the performance of the services under this Agreement or by its breach of this Agreement. Consultant shall not be responsible to indemnify Client from any liability, claims, judgments, losses or demands that are caused by the negligence of the Client. In the event Client and Consultant are determined to be jointly at fault, any liability as between Client and Consultant shall be allocated between Client and Consultant in accordance with their proportionate share of such fault.

10. **Attorney's Fees:** If either party becomes involved in litigation arising out of this Agreement or the performance thereof, the court shall award reasonable costs and expenses, including attorney's fees, to the prevailing party. In awarding attorney's fees, the court shall not be bound by any court fee schedule, but shall, in the interest of justice, award the full amount of costs, expenses, and attorney's fees paid or incurred in good faith.
11. **Confidentiality of the Consultant:** Consultant acknowledges and agrees that throughout the term of this Agreement, Consultant may obtain information about the Client or the project which is highly sensitive and confidential. Except as required by law or by a court of competent jurisdiction, Consultant agrees not to disclose Client confidential information to unrelated third parties outside the scope of the services without the express written consent of the Client. Nothing herein shall be deemed to prohibit Consultant from making a disclosure of a violation of law or of a matter necessary to protect the health or safety of any person. Consultant will notify Client prior to releasing any disks or maps provided to other consultants that are prepared in conjunction with any work/services for Client. Required coordination with any agency necessary for the approval or construction of this project is hereby granted.
12. **Insurance:** Consultant shall maintain adequate insurance coverage at its own expense at all times during the full term of its services under this Agreement and as otherwise required hereunder. Insurance coverage must have policy limits not less than those set forth below with insurers licensed to do business in the State of Arizona and which is acceptable to the Client and under forms of policies satisfactory to the Client. There are no other requirements contained herein as to types, limits, or Client's approval of insurance. Client coverage to be maintained by Consultant is intended to and shall not in any way or manner limit quality or quantity of the liabilities and obligations assumed by Consultant under this Agreement or otherwise as may be provided by law.

The following items must be submitted to the Insurance Coordinator of Rhodes Homes Arizona prior to payment of any invoices or acceptance of any work. Consultant agrees that it shall not be entitled to such payment until such time that the following have been received by Client:

- a. General Liability Insurance Coverage in the amount of \$2,000,000 aggregate. The Certificate holder's box must show the following names as additionally insured:

- Rhodes Homes
- Rhodes Homes Arizona
- James M Rhodes, Individually

This Certificate must also have attached an additional insured endorsement in a CG 2026 1185, or a CG2037 1001 FORMAT which names the same three names as additionally insured. The insurance company providing the insurance coverage must have an AM Best Rating of A+ or better and must be admitted in the state of Arizona.

The Name of the project must be noted in the Description Box. (We require an Original Insurance Certificate for each project.)

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Rhodes Homes Arizona
Stanley Consultants

CL05330

b. Comprehensive Automobile Liability Insurance in the amount of \$1,000,000.

c. State Industrial Insurance Certificate of Workmen's Compensation Insurance. Certificate which shows that you are covered. If self-insured, a certificate showing that you are covered.

Professional Liability:

Consultant agrees to provide and maintain, at its expense, a Professional Liability Insurance Policy of \$1,000,000 per claim for a period not less than five (5) years after the date of the final completion of the work that is performed in accordance with the services if commercially available and affordable. Consultant shall provide Client with a copy of the terms and conditions of the policy providing Professional Liability coverage.

Consultant's Equipment Policy:

Any such insurance policy covering Consultant's or outside Consultant's or Consultant's equipment against loss by physical damage shall include an endorsement waiving the insurer's right of subrogation against the Indemnities. Such insurance shall be Consultant's and outside Consultant's and in-house Consultant's sole and complete means of recovery for any such loss. Should Consultant or any outside Consultant or in-house Consultant choose to self-insure this risk, it is expressly agreed that the Consultant and the outside Consultant and in-house Consultant hereby waive any claim for damage or loss to said equipment in favor in the Indemnities.

Other Requirements:

Evidence of the insurance coverage required to be maintained by Consultant represented by Certificates of Insurance issued by the insurance carrier(s), must be furnished to the Client prior to Consultant starting its services. Certificates of Insurance shall specify the additional insured status mentioned above as well as the waivers of subrogation. Such Certificates of Insurance shall state that Client will be notified in writing thirty (30) days prior to cancellation or non-renewal of insurance. Consultant shall provide to Client a certified copy of any and all applicable insurance policies prior to requesting or receiving payment from Client and prior to starting work. Timely renewal certificates will be provided to Client as the coverage renews.

Insurance similar to that required of Consultant shall be provided by or on behalf of all outside Consultants and in-house Consultants to cover their operations performed under this Agreement. Consultant shall be held responsible for any modifications in these insurance requirements as they apply to Consultants. Consultant shall maintain Certificates of Insurance from all Consultants, enumerating, among other things, the waivers in favor of, and insured status of, the Indemnities as required herein and make them available to Client upon request. The term "Consultant(s)" shall include Consultants of any tier.

13. Additional Required Documents:

- a. State of Arizona License. Copy of unexpired license, if required by law.
- b. Copy of current unexpired business licenses, whichever is applicable to the subdivision or job.
 - 1) Mohave County
 - 2) City of Kingman
- c. A valid W-9 must be on file.

14. Use of Work Product:

- a. Consultant's work product shall be delivered to Client per a mutually agreed schedule in accordance to paragraph 16 of this Agreement and may be used by Client for any purpose connected with the project in accordance with paragraph 16 of this Agreement. Consultant agrees to provide Client with the disks containing the work product of the Consultant in a format as agreed upon at the initiation of project and to the Client's specifications. Under no circumstances shall transfer of drawings and other instruments of service on electronic media for use by the Client be deemed a sale by the Consultant, and the Consultant makes no warranties, either express or implied, of Consultant's items of work.
- b. Documents, including drawings and specifications, which are prepared by Consultant pursuant to this Agreement are not intended or represented to be suitable for use by Client or others other than for their originally intended use at the Project. Any use of completed documents other than as originally intended, without written verification or approval by Consultant, will be at Client's sole risk and without liability or legal exposure to Consultant.
- c. Consultant shall not release any non-public data or work product prepared under this Agreement to any other consultant, entity, or private/public organization without the prior written authorization of Client with the exception to those documents that must be released to public record prior to approval or recordation.

15. Review and Approval of Work:

- a. Client reserves the right to have the Consultant's work product reviewed by other consultants or by Client at its discretion. Consultant shall fully cooperate with the Client and its agents in review of its work product. Consultant shall immediately provide either appropriate changes or a written response as a result of such outside review. Additional costs, if any, for such changes and/or responses shall be negotiated prior to making such changes and/or responses. If said changes are for value engineering purposes, said revisions will be done after the Client has approved them on a time and materials basis. If Client and Consultant are unable to resolve such dispute, Client and Consultant agree to mutually select an independent party to seek a resolution through mediation.
- b. Provided the Consultant is given clear written and spoken directions from the Client, work is to conform to the Client's acceptance and internal specifications as they are provided prior to start of work in addition to City and County specifications, acceptance, and approval. If there is a conflict between the Client's specifications and the governing agency's specifications, the governing agency's specifications shall prevail. Furthermore, Client requires that on or before 10% of the work is complete and on a regular basis thereafter, Consultant shall present its design to Client to obtain approval and/or advice on how to mitigate design discrepancies early in the process.
- c. Consultant's work shall be in a manner consistent with that level of care and still ordinarily exercised by reputable members of the profession currently practicing in the same locality under similar conditions and shall be deemed complete when it has been signed, approved, recorded, and accepted by the applicable governing agencies, and the approved copies have been presented to Client.

- 16. Schedule:** If provided for in Consultant's Scope of Services, the Consultant will supply and update a detailed critical production/design review schedule on a weekly basis for tracking purposes which includes planned versus actual completion timeframes for both entity reviews and Consultant production. Consultant shall maintain the schedule as mutually agreed upon unless outside circumstances such as governmental reviews, natural disasters, or other unknown or uncontrollable influences occur. The client shall be notified immediately of any

changes to the schedule. Additional fees may be required for any unforeseeable delays in the project that are outside of the Consultant's control

17. **Changes:** From time to time, Client may require changes in the Scope of Services of the Consultant to be performed thereunder. Such changes, including any increase or decrease in the amount of the Consultant's compensation, which are mutually agreed upon by and between Client and Consultant shall be incorporated in written amendments or Change Orders to this Agreement and signed by all parties hereto prior to performing additional services. Client and Consultant may request an amendment of the provisions of this Agreement; however, oral understandings shall not be binding. To be valid, all such amendments shall be made in writing and signed by all parties hereto.
18. **Waivers:** No waiver or indulgence of any breach or series of breaches of this Agreement shall be deemed or construed as a waiver of any other breach of the same or any other provision hereof, nor shall it affect the enforceability of any part of this Agreement. No waiver shall be valid or binding unless executed in writing by the waiving party
19. **Termination:**
 - a. The Client may terminate this Agreement at any time by written notice to the Consultant subject to the payment of all fees and expenses incurred through the termination date. Upon such termination, Consultant shall deliver to the Client all plans, drawings, computer disks and the like which were prepared by the Consultant in connection with this Agreement of said Project. Consultant's plans, drawings and the like may be directly or indirectly used by the Client to the extent permitted by law; provided however, Client hereby agrees to indemnify and hold Consultant, its officers, directors, employees, consultants, and subcontractors harmless from and against any and all claims, liabilities, demands, losses, actions, causes of action, damages, costs, expenses, fines, and penalties of every nature, including but not limited to those resulting from injury to persons or property.
 - b. This Agreement may not be terminated by Consultant except by breach of this Agreement by Client, to include nonpayment of fees within 30 days of invoice which is not cured within fifteen (15) days following Client's receipt of Consultant's invoice.
 - c. Changes to the approved plans without Client's authorization will be grounds for terminating this Agreement.
 - d. In the event this Agreement is terminated, all finished or unfinished documents, data, drawings, models, photographs, reports, or other material prepared by the Consultant under this Agreement shall become eligible for any intended use by Client, and Consultant shall be entitled to receive just and equitable compensation for work completed on such documents and other materials. All plans, documents, comments from agencies, and notes become eligible for any use by Client in return for the compensation received. Client is to receive from Consultant a hard copy and an electronic format copy of all work performed by Consultant for Client regarding the Project for the cost of duplication and reasonable personnel time.
20. **Assignability:** Consultant shall not assign this Agreement or any portion thereof or any of its rights or obligations hereunder without the expressed written consent of the Client.
21. **Payment:**
 - a. Consultant shall provide Client with a monthly statement of fees and expenses by the 1st of each month for payment on the 21st of the same month. Statements received after the 1st of each month will be paid as if submitted the following month. Partial payment to the

Consultant shall not be construed as approval or acceptance of work furnished hereunder.

- b. Fees and expenses described herein are not to exceed the fees as set forth in Exhibit "B" without the prior written approval of the Client. Client shall have no liability for payment of said fees should they exceed fees as set forth in Exhibit "B" without the prior written approval of the Client. All fees exceeding the amounts agreed to herein will be approved by both Client and Consultant prior to the commencement of services.
- c. Consultant shall pay all liens (including beneficial use liens), claims, charges, or other impositions of any nature or kind imposed upon Consultant or arising out of or in connection with the services performed or materials provided for hereunder and shall hold harmless and indemnify Client therefrom. Client reserves the right to pay any liens that are imposed as a result of any work performed by sub-consultants of Consultant. Consultant shall reimburse Client for such payments. The fees in this proposal do not include any taxes, if any, whether local, state, or federal on professional services, including but not limited to sales tax. The amounts of any taxes will be added to the professional service fees as they are invoiced and will be identified as such.
- d. To the extent Consultant's services have not met the Standard of Care as written in Paragraph 3, Consultant shall be held responsible for errors in the field created by Consultant's designs. Consultant shall be informed of errors immediately upon discovery and shall have the right to make adjustments to the plans in order to correct the error. Consultant shall have the right to review the costs submitted by the contractor for the remedy prior to commencement.

NEGLIGENT

- 22. **Notice.** Any notice in this Agreement shall be in writing and shall be effective upon personal delivery, certified mailing return receipt requested when deposited in the United States mail, or upon confirmed transmission by telegram, cable, telex, or a facsimile.
- 23. **Entire Agreement:** This Agreement contains all the terms, conditions, and provisions hereof creating the understanding and representations of the parties relating thereto regarding this Project. All such prior written and/or oral proposals, representations, understandings, and discussions are superseded by this Agreement. This Agreement may only be modified or amended by further written agreement executed by the parties hereto.
- 24. **Authority:** Each of the undersigned signatories declare and represent that they are duly authorized to sign this Agreement and bind each of the parties hereto to all the terms and conditions as outlined herein.
- 25. **Binding Effect:** This Agreement shall be binding upon the heirs, personal representatives, successors, and/or assigns of the Consultant.
- 26. **Return of Agreement:** Consultant shall execute and return this Agreement within five (5) calendar days from the date of the Agreement. Consultant shall not commence with services and/or work prior to receipt of a fully executed Agreement. Consultant shall be due no payments for work completed until both parties have fully executed this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year written above.

Stanley Consultants
5820 S. Eastern, Suite 200
Las Vegas, NV, 89119
Phone 702-369-9396
Fax

Rhodes Homes Arizona, LLC *gjt*
2215 Hualapai Mountain Road, Suite H
Kingman, Arizona 86401
Phone: (928) 718-2210
Fax: (928) 718-1322

David *3/2/05*
Authorized Signature Date

FOR DAVID FROHMAN *8/27*
Print Name

James M. Rhodes *3.3.5*
James M. Rhodes Date

John E. Hampton *Benham*
If contract amount is over \$25,000, then two (2)
Rhodes Homes Arizona signatures are required.

[Signature] *03/03/05*
Marian Walker, Division Manager Date

Rhodes Homes Arizona
Stanley Consultants *[Signature]*

Exhibit "A"

SCOPE OF SERVICES

I. GENERAL CONDITIONS OF THE SCOPE OF SERVICES

1. SITE NAME X-1 Ranch

2. SITE DESCRIPTION

It is the understanding of Stanley Consultants, Inc. (Consultant), that Rhodes Homes (Client) intends to develop approximately 3000 acres of residential and/or commercial subdivision located within Mohave County, northeast of the City of Kingman. This site is located east of State Highway 66: Parts of Sections 1, 11, 13 and 14 of T 23 N, R 15 W and part of section 7 of T 23 N, R 14 W.

3. REIMBURSABLE EXPENSES

A budget amount has been set for reimbursable expenses (See Exhibit B -- Schedule of Values). Reimbursable expenses include such items as courier service, mileage, reproduction costs, etc. Any and all fees required to be paid to government agencies, quasi-government agencies or utility agencies are NOT considered reimbursable expenses and will be paid by check provided by Client. These payments will be scheduled by Consultant and outlined in Exhibit "C", Time of Completion, giving expected dates when payments will be required and expected amounts of checks needed.

4. MEETINGS

- a. Consultant is required to attend at least one weekly meeting at client's office to give a project update.
- b. Consultant is required to attend all public hearings and government agency meetings that pertain to the project.

II. PRELIMINARY ENGINEERING SERVICES

The tasks contained in this phase of the scope of work are required prior to the finalization of the subdivision design and final map preparation.

1. TOPOGRAPHY AND AERIAL MAPPING

- ✦ A field survey will be performed to establish horizontal and vertical ground control points for use in aerial photogrammetry. The vertical datum will be based on NAVD88 and the horizontal datum will be based on NAD83, utilizing GPS survey techniques.
- ✦ The flight, aerial mapping and DTM will be provided by a sub-consultant. The mapping and DTM will be sufficient to provide 2-foot contours on the subject property.
- ✦ Boundary will be based on maps of record and a field survey.
- ✦ The survey drawing will be available in hard copy and electronic format (AutoCAD) as required.

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CL05336

- Services are based on the authorization for the survey team to enter the property for purposes of conducting the scope of services required for the project.
- The services herein are based on the receipt of a current title report with copies of all deeds and instruments referenced therein. (Supplied by owner).
- This survey will not include any references to: lease agreements, oil, gas and mineral rights, matters that are strictly contractual and items which cannot be located upon the subject tract by a specific physical description. Those matters are given constructive notice in a title commitment and must otherwise be addressed by the parties involved and/or addressed by legal counsel. This survey will not address: compliance or assessment of existing utilities, wetland determinations, fault lines and/or environmental assessments that are beyond the surveyor's expertise. Any special survey requirements, changes to our standard certification, special items in the certification required by any other party and agreed by the surveyor, must be negotiated before any work is commenced.

2. ALTA/ACSM LAND TITLE SURVEY

- Perform a survey based upon the minimum standards established by ALTA/ACSM in 1999.
- In addition, the following items of Table A will be included in our contract amount. Items 2, 4, 8, 11 a & b and 13.

3. BASE PROJECT EXHIBIT

- Consultant shall prepare a project exhibit for use and discussion. The exhibit will be computer generated and include property boundaries and ground topography.

4. INFRASTRUCTURE

- Consultant shall research, analyze and develop conceptual approaches to water, wastewater, power and drainage infrastructure to consist of the following:
 - Layout of water and sewer alignments
 - Layout of the transportation circulation elements
 - Layout of general drainage patterns and major facilities for the proposed plan
 - Layout of general power utility and major existing facilities
- Investigation will include water quality investigation with treatment and/or disinfection requirements. Water rights and options to provide service to a proposed development will be investigated.
- Work will include a computer generated exhibit of the subject project property and immediate adjacent properties. This map/exhibit will be used for all preliminary planning activities, utilities services investigations and graphic depiction.
- Consultant will prepare up to two (2) separate facility plans.
- Investigation will include wastewater treatment strategies for on-site, off-site and hauling methods of wastewater management.
- Effluent Reuse and Disposal alternatives will be investigated and reported.

5. CONSTRAINTS EXHIBIT WITH OFF-SITE IMPROVEMENTS

- Consultant shall incorporate all due diligence/intelligence gathered and/or calculated as part of the preliminary report preparation and investigation and develop an over-all area wide constraints map (includes the project area plus an additional one section around the perimeter), which clearly defines all utility connections and discharge points. All utilities

include: Water, sewer, storm drainage, existing dedicated ROW for roadway/streets, gas electrical, cable, telephone, and fiber optics (when applicable).

- 4 Consultant shall meet with all local providers of utilities services, County and/or other jurisdictional review agencies to provide a completed and concise constraints exhibit.

6. LAND PLANNING AND ENTITLEMENTS

Consultant shall investigate the requirement to complete a General Plan Amendment, zone change applications, facility plan, special use permits and other entitlements that may be required to support this project including coordination with the BLM and other agencies that have jurisdiction over the project site. Special or independent land use submittals packages that may be desired by the client will be completed on a time and materials basis in addition to the contract amount following approval from the client.

7. DRAINAGE STUDY

- 4 Consultant shall prepare a conceptual on-site technical drainage study for the overall Project. The study will address existing drainage concerns impacting this site. The conceptual drainage study will be prepared in accordance with the Mohave County area flood control standards. The consultant will be sensitive to the conditions and requirements of FEMA during the preparation of the Technical Drainage Study. Local drainage conditions will be incorporated in a manner that meets FEMA requirements. No regional or off-site area wide Drainage Report is included as part of this project.
- 4 This task is based on the preparation of one drainage study for the Project. Additional Drainage Investigation shall be performed by the consultant at the clients direction on a time and materials basis in addition to the contract amount following approval from the client.

8. WATER / SEWER STUDY

- 4 Consultant shall calculate a preliminary water demand for the entire property to determine the overall usage and storage for the ultimate buildout.
- 4 Consultant shall investigate two possible water service strategies for the entire property (if applicable).
- 4 Consultant shall prepare a summary report of the preliminary pipe size and backbone layout proposed for the entire property. The summary report will analyze potential water pressures and facilities required for domestic water supply.
- 4 Consultant shall investigate the area Department of Water resources agencies (if applicable) in Arizona and research the availability of a ground water contour map to show approximate ground water activity and levels. This effort will only include available information as determined by a search of existing and readily available records. No self performing activities will be involved by the consultant to determine ground water availability, quality and / or depth from ground surface.
- 4 Consultant shall research existing and proposed options for water and sewer service and develop a detailed work plan to establish public utility services.

9. TRAFFIC IMPACT ANALYSIS AND TRANSPORTATION INFRASTRUCTURE

- 4 Consultant will prepare a conceptual traffic impact study to address the impact to local streets and State Route 66. The traffic study will evaluate the general (maximum density) on-site and off-site circulation and allowable turning movements at key intersections. The traffic study will project the traffic generation characteristics of the project and the participation required from the Client.

- ✦ This proposal excludes traffic signal designs, gap analysis, progression analysis, regional traffic modeling or other traffic engineering services not specifically listed above. Should Client desire such services, Consultant shall provide these services as an extra service to the contract.

10. ENGINEERING/PLANNING (MEETINGS, EXHIBITS AND WORKSHOPS)

- ✦ Attend meetings; prepare exhibits as required for completion of Phase 1 services

11. ENVIRONMENTAL STUDY

- ✦ Consultant will prepare a Phase I Environmental Site Assessment (ESA) for the entire property. Services will be conducted in general conformance with the scope and limitations with the American Society of Testing and Materials (ASTM) E1527-00.

12. PROJECT SCHEDULING

- ✦ Consultant will prepare a detailed project schedule using Microsoft Projects software and include all tasks beginning with the project initiation to the construction of the first phase of subdivision development.

- ✦ The project schedule will be updated on weekly basis or as needed by significant changes

13. 404 PERMITTING AND BIOLOGIST STUDY

Stanley Consultants will be contracting with SWCA, Inc. for this task. Please see the following for the Scope of Services.

**Scope of Services and Schedule
Jurisdictional Delineation, Biological Surveys, and Cultural Resources Inventory
for the X1 Ranch Project
Kingman, Arizona**

This work plan was prepared in response to a conversation with David Woo, Stanley Consultants on February 16, 2005. The requested scope of work will involve delineating waters of the U.S. on approximately 3,000 acres of land proposed for development near Kingman, Arizona. It is assumed that the project will require permitting under Section 404 of the Clean Water Act; therefore, this scope also includes tasks for preparing and submitting a permit application package to the U.S. Army Corps of Engineers (USACE). As part of the application package, cultural and biological resources will also be evaluated. This scope of work includes the following tasks:

- Task 1. Preliminary Delineation of Jurisdictional Waters
- Task 2. Biological Resources Survey
- Task 3. Cultural Resources Inventory
- Task 4. Analysis of Alternatives (part of application package)
- Task 5. Habitat Mitigation and Monitoring Plan (part of application package)
- Task 6. Application Package Preparation and Support
- Task 7. Environmental Assessment (EA) Preparation
- Task 8. Project Management

SCOPE OF SERVICES

Task 1. Preliminary Delineation of Jurisdictional Waters

Aerial and topographic maps of the project area will be used to complete preliminary Geographic Information Systems (GIS) mapping of evident washes (potential waters of the U.S.) within the project area. Field maps will be prepared using data provided by Stanley Consultants, including but not limited to high quality aerial photographs (1 inch equals 200 feet), contour data, project boundary data, road layers, etc. Project boundary data will be uploaded into handheld Geographic Positioning System (GPS) units. Field data sheets will also be prepared for recording information about each of the washes.

Field surveys will be performed to collect data at sample points identified at varying intervals along each of the washes within the project area. At each sample point, SWCA will record the point's coordinates using a GPS unit and take measurements of the Ordinary High Water Mark (OHWM), which defines the jurisdictional limits of a stream according to the regulations under Section 404 of the Clean Water Act. Vegetation, soil, and habitat descriptions will be recorded at each sample point, with particular emphasis paid to the presence of riparian vegetation. Photographs of the current site conditions and washes will be taken using a digital camera. It is anticipated that one field team comprised of two people will be able to complete the fieldwork within three days. Our proposed cost estimate assumes that up to 60 sample points will be recorded to comply with USACE requirements required to receive a formal delineation. If

XI Ranch Project
SWCA Environmental Consultants Proposal

additional measuring points are required, or the USACE requires a separate confirmation field visit, a modification of our cost estimate will be required.

Following field surveys, the data will be reviewed and incorporated into a GIS database. SWCA will use the data to determine total jurisdictional acreage within the project area and to classify the various washes into different size classifications. Maps showing jurisdictional waters in the project area will be prepared to the specifications required by the USACE.

A report will also be prepared to describe the results of the field surveys. The report will include a description of the project area, field survey methodology, and survey results. The survey results will include a description of the jurisdictional waters, the types of vegetation communities present, and a qualitative description of the habitat quality. Washes containing riparian vegetation will be noted. Photographs representative of the existing conditions of the washes will be included as an appendix.

The map and report will be submitted to Stanley Consultants and Rhodes Homes within 3 weeks following completion of the field surveys. SWCA will then take up to four business days to incorporate appropriate project team comments before submitting the preliminary delineation package to the USACE for their review. SWCA will also need to obtain a letter of authorization from Rhodes Homes and copies of the deeds for the property to document that Rhodes Homes owns the parcels surveyed. This information will be submitted with the delineation package to the USACE.

Task 2. Biological Resources Survey

An SWCA biologist will visit the proposed project area to document habitat types present within and immediately surrounding it. Dominant plant communities and species will be recorded in addition to habitat features potentially important to listed or other special status species. Based on habitat types and features present, the project area will be evaluated for the potential presence of such species. This field visit can be conducted concurrently with the jurisdictional waters surveys.

SWCA will then prepare a Biological Evaluation (BE) to be used to document compliance with the Endangered Species Act. This report, at a minimum, will include an introduction, a description of field survey methods used, a summary of field survey results and habitat evaluations, a list of dominant vegetation communities and species observed, and narrative descriptions of federally listed species that have the potential to occur in or near the project area. As directed by the USACE's new guidelines issued by the US Fish and Wildlife Service (USFWS), this report will also include SWCA's recommended determination of effect on each species evaluated in the report. SWCA will also contact the Arizona Game and Fish Department (AGFD) to obtain Heritage Database information regarding recorded occurrences of listed species in the project vicinity. Copies of correspondence received from the AGFD will be included as an appendix to the report. If listed species are observed or site conditions suggest that the proposed project may affect habitat critical to or occupied by listed species, the BE may contain recommendations for species-specific surveys.

Task 3. Cultural Resources Inventory**Regulatory Compliance**

As part of Section 404 permitting, cultural resources investigations complying with federal standards listed in Section 106 of the United States Code of Federal Regulations are necessary. These standards provide guidance so that cultural resources may be evaluated for eligibility to the National Register of Historic Places (NRHP). As listed in 36 CFR Part 60.4, any undertaking must evaluate previously recorded and newly discovered sites within the project area for integrity of location, design, setting, materials, workmanship, feeling, and association. A site may be considered eligible to the NRHP if it retains sufficient integrity of the element above and if it:

- A) Is associated with events that have made a significant contribution to the broad patterns of our history, OR
- B) Is associated with the lives of persons significant in our past; OR
- C) Embodies the distinctive characteristics of a type, period, or method of construction, or represents the work of a master, or possesses high artistic values, or represents a significant and distinguishable entity whose components may lack individual distinction, OR
- D) Yields, or may be likely to yield, information important in prehistory or history.

In addition to the above criteria, SWCA cultural resources staff will comply with all state, county or local laws, regulations and permitting requirements.

Cultural Resources Background Research

Obtaining cultural resources background information is the first step towards completing the evaluation. SWCA will visit or contact a variety of sources so that all previous research conducted in the project area will be available to guide the investigators. Sources of information may include site files stored within the AZSite Database at the Arizona State Historic Preservation Office (SHPO), files located at offices of federal agencies such as the Bureau of Land Management or the United States Forest Service, files located at universities, and documents and reports located in regional libraries. Information located during this search will be used to develop regional contexts for the final report. Such contexts are necessary to evaluate any properties located during the field survey for NRHP eligibility.

Based on the results of the background research, SWCA will prepare a new scope and budget to conduct field investigations, if necessary, and prepare a detailed report for submittal to the SHPO when the 404 permit application package is submitted to the USACE. Using the researched information, SWCA will determine the amount of area that needs to be surveyed and the appropriate survey methodology. SWCA will calculate the new budget based on the size of the area to be surveyed, number of crew members that would be needed, and estimated number and types of sites that may be found in the project area.

The field survey methodology will adhere to survey methods established by the Arizona State Museum. These standards include conducting a pedestrian survey using transects in which archaeologists are spaced not more than 20 meters apart and require that personnel supervising

field work be qualified to conduct work in the project area. Transect types will be appropriate to the terrain. On open, fairly flat terrain transects will be oriented to cardinal directions. On hills or other steep terrain, transects following land contours may be used. Field crew size may vary, but will be appropriate to project constraints such as area to be surveyed and budget. During the inventory, any previously recorded sites would be re-evaluated and re-recorded as necessary. Newly discovered archaeological sites would be recorded using standard Arizona State Museum site forms. Site locations and sketch maps would be generated utilizing data obtained from handheld GPS units. The duration of field survey is unknown, but may be affected by factors such as weather or extremely high site density. SWCA would evaluate the significance of all identified historic and prehistoric resources in terms of eligibility to the State and National Register of Historic Places. If more than the estimated number of sites are identified, a new scope and cost estimate would need to be approved prior to recording those sites.

Task 4. Habitat Mitigation and Monitoring Plan

Various mitigation options are available to offset impacts to jurisdictional waters. At this time, it is not possible to determine the amount of mitigation that would be necessary or how the mitigation would be implemented. During the planning process, mitigation options will be evaluated and discussed in a Habitat Mitigation and Monitoring Plan (HMMP). This plan will include a thorough description of the proposed mitigation, including monitoring criteria and desired habitat conditions, and discuss other mitigation options that were not selected. SWCA will coordinate with Rhodes Homes, Stanley Consultants, and the USACE to develop a preferred mitigation option.

Task 5. Analysis of Alternatives

The alternatives analysis document will contain a thorough discussion of alternatives considered for the project. SWCA will coordinate with Rhodes Homes and Stanley Consultants to obtain information on each alternative. Each alternative will include a discussion of the amount of impacts to jurisdictional waters, efforts taken to avoid jurisdictional waters, an overview map of the development plans for each of the alternatives, and other information, including cost-to-built and other economic factors that show why the alternative is or is not the least environmentally damaging practical alternative (LEDPA). Alternatives that need to be discussed include "off-site" alternatives and an explanation of why this property was purchased as opposed to other properties available. Rhodes Homes would need to provide SWCA with information regarding their site selection process and the other properties available at the time they purchased the project area.

Task 6. Application Package Preparation and Support

It is assumed that an application for the project will be submitted to the USACE following approval of the delineation by the USACE and receipt of final project impact information from Stanley Consultants. At this time, it is not possible to determine the appropriate permit that would be required for this project. However, based on the size of the property and presence of several washes, it is anticipated that the project would require an Individual Permit. The following outlines the steps of an Individual Permit process:

X1 Ranch Project
SWCA Environmental Consultants Proposal

- 1) Field surveys to determine extent of jurisdictional waters (Task 1, above)
- 2) Preparation and submittal of the Preliminary Delineation (Task 1, above)
- 3) Pre-application site meeting with the USACE and other resource agencies (Task 3, below)
- 4) Surveys for cultural and biological resources (Tasks 2 and 3, above)
- 5) Preparation of Individual Permit Application Package, including an impacts analysis (Task 6)
- 6) Completion and Submittal of a Habitat Mitigation and Monitoring Plan (Task 4, above)
- 7) Completion and Submittal of an Alternatives Analysis (Task 5, above)
- 8) Public and agency comment period (30 days)
- 9) USACE decision period
- 10) Preparation of Environmental Assessment (Task 7, below)
- 11) Environmental Assessment approval by USACE and permit issuance

SWCA assumes that Stanley Consultants will provide the final engineering and proposed impact information required for the permit application. SWCA will use GIS and AutoCadd to calculate impacts to jurisdictional waters for each alternative based on plans provided by Stanley Consultants (including alternative site plans). The information SWCA will need to receive from Stanley/Rhodes before we can complete the impacts analysis and permit application includes:

- Complete project description,
- An AutoCadd layer, registered to the 1 inch equals 200 feet aerial photography, showing all locations of proposed impacts,
- Nature of activity, types and quantities of fill materials to be placed in jurisdictional waters (culverts, pipes, road crossings, etc.),
- Plan view and typical cross section drawings of various structures to be placed in jurisdictional areas, and
- Names, addresses, and phone numbers of all adjacent land owners

The application package will include the following documents:

- Biological Evaluation
- Cultural Resources Inventory report
- Alternatives Analysis document
- Draft Habitat Mitigation and Monitoring Plan
- Formal Delineation File No. and calculated jurisdictional area information
- Application form
- Public notice address information

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SWCA anticipates that it will take up to eight weeks to prepare the permit application package once we receive the final project/impacts information from Stanley Consultants. A pre-application meeting/site visit with the USACE may be necessary to confirm the appropriate permit for the project and/or to discuss mitigation options and other aspects of the project. Stanley Consultants and Rhodes Homes will be provided the application package to review and comment on prior to submittal. SWCA will revise the package, if warranted, and submit it to the USACE within one week of receiving comments.

In compliance with Section 401 of the Clean Water Act, a water quality certification or waiver from the Arizona Department of Environmental Quality will also be required. SWCA will consult with the agency during preparation of the permit application package to obtain the certification. Should the certification or waiver not be received prior to issuance of the 404 permit, the USACE will likely issue the permit with a "denied without prejudice clause", and the permit will become effective once the agency issues the water quality certificate or waiver.

Once the Individual Permit application package has been submitted, SWCA will provide permit support in order to expedite the permit process, where possible. Support would occur during the entire permitting process, and additional meetings and coordination would occur under the Project Management task (Task 8, below).

Task 7. Environmental Assessment Preparation

SWCA will prepare a draft Environmental Assessment to evaluate impacts to the human environment in compliance with the National Environmental Policy Act of 1969. This document will include a brief project description, description of the impacted elements of the human environment, and other information required by the USACE. SWCA will follow the USACE format and provide all information in draft form. Following the public comment period for the Individual Permit application, SWCA will also respond to agency and public comments and include the responses in the Environmental Assessment. The draft Environmental Assessment will be submitted to the USACE within one month following receipt of the public comments from the USACE. Once the USACE reviews and approves the document, the USACE will produce the final Environmental Assessment.

Task 8. Project Management

Management will ensure that proper communication and coordination occurs with all agencies involved in this process including the USACE, AGFD, USFWS, SHPO, and the U.S. Environmental Protection Agency (USEPA). This task does not include any tribal consultation. If tribal consultation is required, SWCA would prepare a separate cost and scope of work for approval by the project proponent. This cost assumes the SWCA project managers will attend a maximum of two project meetings with agencies (assuming at the USACE office in Tucson) during the course of the permit negotiations. If SWCA's attendance is required for more meetings, a change order for this task would occur.

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This task also includes internal coordination with all team members throughout the course of this project and coordination with the engineers and developer to discuss the project and obtain information. This task assumes that up to 4 meetings with Stanley Consultants and Rhodes Homes will be necessary throughout the application process to discuss the project.

SCHEDULE

The following table provides a tentative schedule by task for the work described above:

Task	Schedule in Work Days ^a
1 Preliminary Delineation Preparation	1-35
2 Biological Resources Surveys	1-40
3 Cultural Resources Inventory	1-10 ^b
4 HMMP	85-305
5 Alternatives Analysis	85-115
6 Application Package Preparation and Support	85-305 ^c
7 Environmental Assessment Preparation	115-305 ^d
8 Project Management	Project Duration

^a Prior to beginning field work, SWCA will need GIS data from Stanley Consultants. The schedule is in days from receiving the necessary project data and signed contract.

^b Task 3 includes only the background search. A new scope, schedule, and cost estimate will be prepared for the field surveys and final report preparation, if necessary.

^c Task 6 will begin after the USACE approves the preliminary delineation (approximately 3 months after submittal) and once the final project information is received. This task assumes submittal of the package by day 115 and includes a 9-month review period for the USACE.

^d Task 7 will begin after the package is submitted to the USACE and will be completed when the USACE approves of the Environmental Assessment.

**Summary of Fees
Jurisdictional Delineation, Biological Surveys, and Cultural Resources Inventory
for the X1 Ranch Project
Kingman, Arizona**

SWCA proposes to initiate work within one week of receiving notice to proceed and a signed contract. The work described above would be completed on a time and materials basis and will not exceed the contract total without prior written approval. The following provides a project cost breakdown by task for the project.

<u>ITEM</u>	<u>FEE</u>
1. Preliminary Delineation Preparation.....	\$ 9,875
2. Biological Surveys	\$ 4,520
3. Cultural Resources Inventory	\$ 5,190
4. Habitat Mitigation and Monitoring Plan	\$ 7,830
5. Analysis of Alternatives.....	\$ 9,015
6. Application Package Preparation and Support	\$ 7,320
7. Environmental Assessment Preparation	\$ 5,610
8. Project Management	\$12,160
TOTAL.....	\$61,520

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SWCA
ENVIRONMENTAL CONSULTANTS

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CL05347

Exhibit "B"
SCHEDULE OF VALUES

Part I: Stanley Consultants Inc. proposes to complete the following parts of the Phase I efforts on a lump sum amount basis.

Consultant will invoice client monthly based on percentage complete.

1. Base Maps and Boundaries; Topo and Aerial Mapping;

2. ALTA Survey

Lump Sum Amount of : \$ 75,000

Part II: Stanley Consultants Inc. proposes to complete the following parts of the Phase I efforts on a Time and Materials not to exceed basis

Billing will be monthly per the consultants standard hourly fees and schedule attached.

3. Base Project Exhibit \$ 10,000

4. Infrastructure

5. Constraints Exhibit and Off-site Improvements ~~\$24,000~~ \$ 15,000

6. Land Planning & Entitlement \$5,000

7. Drainage Study \$ 10,000

8a. Plans to Establish Water and Sewer Co. \$ 15,000

8b. Master Water/Sewer Study \$ 24,000

9. Traffic Impact Analysis and Trans. Infrastructure \$ 15,000

10. Engineering/Planning/Coordination Meetings \$ 20,000

11. Phase I Environmental site Assessment \$ 15,000

12. Project Scheduling \$ 5,000

Time and material not to exceed \$ 164,000

Part III: Subconsultant's 404 Permitting, Biological Resources Survey, and Cultural Resources Inventory efforts on a Time and Materials not to exceed basis.

Billing will be monthly per the consultants standard hourly fees and schedule attached.

13. 404 Permitting; Biological Resources/Cultural Resources

Stanley Consultant's Subconsultant Fee (x10%) \$ 61,520 \$ 6,152

Time and material not to exceed \$ 67,672

Grand Total: \$ 306,672.00

Exhibit "C"

TIME OF COMPLETION

Engineering Schedule:

(see attached Schedule)

Survey Schedule:

Time of completion is determined by Client for which Consultant will provide its services on an "on-call" basis.

Client must make all staking requests 48 hours in advance

Exhibit "D"

RHODES HOMES ARIZONA

2215 Hualapai Mountain Road, Suite H
Kingman, Arizona 86401
(928) 718-2210 Phone
(928) 718-1322 Fax

Change Order

Change Order #:

Client: **Rhodes Homes Arizona**
Consultant: **Stanley Consultants**
Project Name: **X-1 RANCH**
Description of Work: **Civil Engineering**
Consultant Agreement Date: **2/24/05**
Contract #: **XBMP1000-1&2**

This Change Order is made this _____ day of _____ by and between
Rhodes Homes Arizona and _____ for the following changes in work;

(Describe changes in work required, reasons for the change, and associated costs of said change.)

Owner agrees to pay for all changes, if approved and required for the satisfactory completion of the work, performed by the Consultant under this Change Order according to the terms of the Consultant Agreement. The amount paid by the Owner shall be full compensation for all work requested and for all effect of this document on the work. The change, if any, in the Contract Price shall be computed according to one of the following methods:

(Check method appropriate to the requested Change Order)

- ☐ 1. No Change
☐ 2. Costs Plus a Fee \$ _____
☐ 3. Unit Price \$ _____
☐ 4. Lump Sum of \$ _____

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Rhodes Homes Arizona
Stanley Consultants

CL05350

If items 2 or 3 are marked, Consultant shall submit promptly to Client such itemized labor and material breakdown as Client may require for work performed or deleted from the Consultant Agreement by this Change Order. The Consultant shall include the cost of such change in its next application for payment in a separate line item.

The change, if any, in the Project Schedule resulting from the work requested by the Change Order shall be determined according to the terms of the Consultant Agreement and allows for (check as appropriate) an addition a deletion of () days

The undersigned agree to the changes, additions, modifications, or revisions in the work and, if warranted by the Change Order, an adjustment in the Contract Price or the Client's Project Schedule or the terms and conditions of the Contract Documents issued on or after the effective date of the Consultant Agreement.

Stanley Consultants

Authorized Signature

Print Name

Title

Date

Rhodes Homes Arizona

Authorized Signature

Print Name

Title

Date